

1 RICHARD A. LAPPING, State Bar No. 107496
TRODELLA & LAPPING LLP
2 540 Pacific Avenue
San Francisco, CA 94133
3 Telephone: (415) 200-9407
Rich@TrodellaLapping.com

4 Attorneys for Russell Wayne Lester,
5 Reorganized Debtor

6 UNITED STATES BANKRUPTCY COURT
7 EASTERN DISTRICT OF CALIFORNIA
8 SACRAMENTO DIVISION

9 In re:

10 RUSSELL WAYNE LESTER, an
11 individual, dba Dixon Ridge Farms,

12 Reorganized Debtor.
13
14

CASE NO.: 20-24123-E-11

Chapter 11

DCN: RAL-003

[B.L.R. 5010-1(a) – No Hearing Requested]

15 **REORGANIZED DEBTOR'S *EX-PARTE* APPLICATION FOR AN ORDER**
16 **REOPENING CHAPTER 11 CASE**

17 Pursuant to the procedures for reopening this case set forth in Paragraph 5 of the Order
18 Authorizing Entry of Final Decree and Closing of Chapter 11 Case (Docket No. 807) (the "Case
19 Closing Order"), Russell Wayne Lester, an individual, dba Dixon Ridge Farms, the former Debtor
20 in Possession in the above referenced case (the "Case") and Reorganized Debtor herein (the
21 "Reorganized Debtor"), under the terms of his confirmed Amended Plan of Reorganization dated
22 May 18, 2021 as modified by the Court on July 1, 2021 (Docket No. 807) (the "Plan")¹, hereby
23 moves the court for an order reopening the above captioned case to allow the Reorganized Debtor
24 to seek authority to modify the Plan to require secured creditor First Northern Bank of Dixon
25 ("FNB") to cease enforcement of its security interests in inventory, equipment, and personal
26 property when and if the Reorganized Debtor has otherwise reinstated FNB's loans pursuant to the

27
28 ¹ Capitalized terms used but not defined herein shall have the same meanings as ascribed to them
in the Plan.

1 real estate foreclosure statute, California Civil Code section 2924c, and to make such other motions
2 as may be necessary to implement the provisions of the Plan.

3 **RELIEF REQUESTED**

4 1. The Reorganized Debtor seeks a Court order approving the reopening of the
5 Reorganized Debtor's bankruptcy Chapter 11 case pursuant to 11 U.S.C. § 350 and L.R. 5010-1.

6 **JURISDICTION**

7 2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157.
8 This Motion is brought pursuant to 11 U.S.C. §§ 105, 350 and Local Rule 5010-1.

9 **APPOINTMENT OF A TRUSTEE**

10 3. As required by Local Rule 5010-1(b)(1), the Reorganized Debtor does not request
11 appointment of a trustee at this time.

12 **AMENDED SCHEDULES AND STATEMENTS**

13 4. As required by Local Rule 5010-1(b)(2), the Reorganized Debtor does not intend to
14 amend the schedules and statements at this time.

15 **BACKGROUND**

16 5. On August 27, 2020, the Reorganized Debtor filed, in his individual capacity, for
17 bankruptcy relief under chapter 11 of Title 11 of the United States Code in the Bankruptcy Court
18 for the Eastern District of California, thus commencing the Bankruptcy Case.

19 6. The Plan was confirmed pursuant to an order dated May 27, 2021, and modified in
20 an order dated July 1, 2021. (Docket No. 724.) The Effective Date of the Plan was July 1, 2021.

21 7. On January 14, 2022, the Court entered the Case Closing Order, which provided
22 that:

23 "[a]ny party in interest may file an application to reopen the Case for the purposes of filing
24 a motion to resolve any Plan Disputes. Such application may be made *ex-parte* without
25 notice except through the Court's ECF system. The Court grants a waiver of the Court fee
26 to reopen the case to file a motion to resolve any Plan Disputes."

27 Case Closing Order, Paragraph 5.

28 8. Plan Disputes was defined in the order as "any issues or disputes respecting the Plan
(including without limitation the interpretation thereof), the Plan Sales and/or distribution or

1 application of the Plan Sale Proceeds.” Case Closing Order, Paragraph 4.

2 9. On March 21, 2022, Reorganized Debtor filed a motion to reopen the Case to enable
3 the Reorganized Debtor to complete the sale of the Conservation Easement.

4 10. The Court ordered the re-opened case closed at the request of the Reorganized
5 Debtor on August 12, 2022. (Docket No. 901.)

6 11. The sale of the Conservation Easement closed on August 15, 2022.

7 12. On March 21, 2023, FNB obtained an order in Solano County Superior Court
8 appointing a receiver based on certain Reorganized Debtor payment defaults under the terms of his
9 loans with FNB.

10 13. As set forth in the final Estimated Seller’s Settlement Statement attached hereto, on
11 April 27, 2023, the SPE Independent Manager, Hank Spacone, closed the sale of the McCune
12 Ranch for a sale price of \$14,925,302.50, resulting in the payment in full of Reorganized Debtor’s
13 obligations to Prudential; partial payment of his obligations to FNB; payment in full of the
14 Voluntarily Deferred Allowed Administrative Claims; payment in full of all remaining General
15 Unsecured Claims; and payment in full of then-outstanding fees of the Independent SPE Manager
16 and his attorney, in addition to other closing costs as set forth in the attached closing statement.

17 14. On May 4, 2023, Reorganized Debtor tendered, and FNB accepted, certified checks
18 in the aggregate amounts of \$338,679.04, which amounts were required by FNB to reinstate the
19 remaining three FNB loans secured by Reorganized Debtor’s real property and his inventory,
20 equipment, and other personal property.

21 15. On May 4, 2023, FNB acknowledged receipt and reinstated the three FNB loans.

22 16. Notwithstanding Reorganized Debtor’s full reinstatement of the FNB loans under
23 California Civil Code section 2924c, FNB on May 5, 2023 took the position that under California
24 Commercial Code section 9604(a)(3)(C), FNB may continue enforcement of its liens on
25 Reorganized Debtor’s inventory, equipment, and other personal property by sale through the
26 receivership, despite the absence of any further payment defaults.

27 17. Reorganized Debtor intends to seek to prevent the receiver’s forced sale of his
28 critical business inventory and equipment through a modification of the Plan.

DISCUSSION

18. 11 U.S.C. § 350 provides that “(b) A case may be reopened in the court in which such case was closed to administer assets, to accord relief to the debtor, or for other cause.”

19. Motions for the reopening of cases are “routinely granted because the case is necessarily reopened to consider the underlying request for relief.” *In re Dodge*, 138 B.R. 602, 605 (Bankr. E.D. Cal. 1992) (citing *In re Corgiat*, 123 B.R. 388, 392, 393 (Bankr. E.D. Cal. 1991)).

20. Here, there is cause to reopen the Case. The order closing the Case specifically provides that a party in interest may file an application to reopen the Case for the purposes of filing a motion to resolve any Plan Disputes, which include issues respecting the Plan.

CONCLUSION

WHEREFORE, the Reorganized Debtor respectfully requests that the Court or the Clerk of the Court enter an order granting the relief requested herein.

Dated: May 24, 2023

TRODELLA & LAPPING LLP

By: /s/ Richard A. Lapping
Richard A. Lapping
Attorneys for Reorganized Debtor

ATTACHMENT – SELLER’S CLOSING STATEMENT



OLD REPUBLIC TITLE COMPANY

A MEMBER OF THE OLD REPUBLIC TITLE INSURANCE GROUP

790 Mason Street, Suite 101 • Vacaville CA • 95688 • (707) 455-7182 • FAX (707) 676-9052

Russell Lester, LLC

Date: April 26, 2023

Escrow No.: 1716031206-PP

Escrow Officer: Patty Penrod

Settlement Date: April 27, 2023

Property: APN: 0107-110-100; 0107-110-110; 0107-110-020, Winters, CA 95694

Estimated Seller's Settlement Statement

Item	Debits	Credits
Sales Price		14,924,302.50
Loan payoff to Prudential (Secured - DOT) (\$6,949,504.48)		
Current Principal	6,500,000.00	
Prepayment Penalty	31,562.50	
Interest	359,477.08	
Professional fees	58,464.90	
Loan payoff to First Northern Bank (Unsecured- per BK) (\$5,924,191.87)		
Current Principal	5,312,091.86	
Interest	226,354.14	
Late Charges	14,160.10	
Trustee Fees	14,407.68	
Attorney Fees	289,889.34	
Additional Atty Fees (estimated)	32,000.00	
Receiver Certificate No. 1	35,000.00	
Interest on Receiver Certified No. 1	288.75	
Broker's Commission 3.0%	447,729.08	
To Charter Realty	223,864.54	
To Stromer Realty Company of California	223,864.54	
Voluntary Deferred Administrative Claim - to Sagner Kirman Blaine Klomprens LLP (\$31,416.55)		
Current Principal	31,412.81	
Interest 03/28/23 through 04/30/23, 34 days @ \$0.11 (est.)	3.74	
Voluntary Deferred Administrative Claim - to BPM LLP (\$243,793.56)		
Current Principal	243,763.98	
Interest 03/28/23 through 04/30/23, 34 days @ \$0.87 (est.)	29.58	
Voluntary Deferred Administrative Claim - to Felderstien Fitzgerald Willoughby Pascuzzi & Rios LLP (\$552,123.30)		
Current Principal	552,056.66	
Interest 03/28/23 through 04/30/23, 34 days @ \$1.96 (est.)	66.64	
Unsecured Lien to Class 11 GUC (\$454,214.71)		
Yolo Farm Bureau	250.59	
Cintas	339.97	
DMV	1,347.18	
Martinez	15,007.46	
Olivera Enterprises Inc.	44,533.73	
Ceja-Reyes	60,297.60	
Willbur Ellis	107,905.78	
PG&E	224,532.40	
Natural Hazard Disclosure Report to if required	129.00	
Signing/Notary Services to SnapDocs	200.00	
Transfer Fee to Solano Land Trust	50,802.00	
SPE Manager Fees to Hank Spacone	50,925.00	



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Estimated Seller's Settlement Statement

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